

CHAPTER THREE

# Smart Growth is Working All Over America

In many places, the principles of smart growth are already making a difference. Innovative approaches to age-old problems are making communities more livable.

**NEW GUIDELINES FOR DEVELOPMENT** Most people think developers will build whatever they want, so long as it turns a profit. But under current laws, even developers trying to contribute to smarter growth are required to build conventional sprawl. For example, most towns won't allow apartments to be built above storefronts. Zoning codes often require separated building types, excessively vast parking lots, and building setbacks away from the street that result in automobile-oriented strip malls and isolated housing developments.

Growing ranks of architects, planners and developers contend that these codes prevent the creation of neighborhoods and town centers that have an attractive variety of housing types, shops and workplaces—places that look like old-fashioned communities. Fortunately, a growing number of places have started to modernize their planning and zoning codes. These ordinances are allowing developers to build communities that offer homebuyers an alternative to isolated housing subdivisions.

The Traditional Neighborhood Development Ordinance is one such new ordinance. Versions of this new set of rules have been adopted in a wide range of places, such as Huntersville, North Carolina; Austin, Texas; Fort Collins, Colorado and

Dade County, Florida. Other similar rules have been adopted by communities across the country, including Sacramento County's Transit-Oriented Development Ordinance; Pasadena, California's City of Gardens Code; and Loudoun County, Virginia's Rural Village Ordinance.

At the broader regional level, many states and metro areas are trying to develop visions for better growth. These exercises typically feature regional plans that look twenty, sometimes fifty years into the future and encompass fiscal and economic projections, demographic estimates, and traffic analyses. With public input, many have succeeded in creating plans that reflect local priorities, such as open space preservation, traffic management, the creation of world-class civic facilities, and thriving neighborhoods.

An example of such long-range planning is Envision Utah, an initiative to develop a vision for the Greater Wasatch Area's future. After employing state-of-the-art demographic projection and land use mapping techniques, Envision Utah was able to demonstrate that a business-as-usual approach to development would result in a doubling of the Greater Wasatch Area's urbanized land area. Envision Utah estimated that a smarter growth scenario featuring major investments in public transit would save 171 square miles of open space, reduce the amount of driving by 2.4 million miles per day, decrease commute times by 5.2 percent, increase average speeds by 12.5 percent and save the region \$4.6 billion in infrastructure costs.

In 1999, project managers advertised the results of their analysis in local newspapers together with a mail-in questionnaire and got 18,000 responses. The state is now implementing its plans which include light rail transit,



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undeveloped buffers around communities, and compact development that integrates multiple uses.

**REWARDING THE RIGHT KIND OF GROWTH** In a growing number of areas, public leaders have recognized that major subsidies support the development of sprawl and many have sought to level the playing field. The State of Maryland's Smart Growth and Neighborhood Conservation Act, for example, requires that existing, older communities be given priority for public infrastructure, services, schools and other neighborhood improvements. A variety of other states have now enacted laws that embody this approach to growth. New Jersey's latest transportation law, for example, recommends that roadway and transit system maintenance reach acceptable standards before new highways are built.

This redirection of subsidies is also being practiced at the city level. For example, Austin, Texas recently launched a multi-pronged effort to counteract runaway sprawl and traffic. Given the city's relatively weak planning and zoning powers, public



Austin's Triangle project



officials decided to redirect existing subsidies to channel the region's rapid growth into places that are more fiscally and environmentally beneficial. This program, dubbed the "Smart Growth Matrix," created a score card that offers developers incentives for supporting sound growth.

Under the score card, projects are awarded points for a variety of positive attributes. These include transit access, brownfield redevelopment, whether or not water and sewer lines exist on site, and good urban design. Projects that accumulate enough points receive different benefits, including a waiver of development fees and expedited permitting. Those reaching the highest level can have the city pay for new infrastructure.

After two years of working with the Matrix, Austin's development community appears to be pleased with it. One new project which features shops, offices and condos received a \$130,000 subsidy from the city after builders altered original plans to make the ground-level retail spaces more pedestrian-friendly and accessible to the street. A recent 22-acre project located in Austin's urban core received a whopping \$7.6 million incentive because of its excellent design. This

project, known as "the Triangle," features 57,000 square feet of office space, 155,000 square feet of retail space, and 794 condos above the commercial uses. It also includes 6.5 acres of attractively landscaped public open space, all integrated in a series of 3 to 5-story buildings. And unlike most developments of comparable size, the Triangle is designed for pedestrian access, and parking has been located behind most of the buildings.

#### PROVIDING AFFORDABLE HOUSING

In many places, citizens are rethinking their approach to providing affordable housing for low- and moderate-income families. One of the best examples of this is an ambitious project in Louisville, Kentucky known as Park DuValle. For decades, Park DuValle represented the worst kind of subsidized housing: barracks-style buildings concentrated in a neglected and isolated part of the city. With funds from the U.S. Department of Housing and Urban Development's HOPE VI Program, the city set out to redevelop the area to be an attractive mix of low-income and market-rate housing, reflecting current policies to improve the quality and livability of affordable housing.

Rather than build conventional ranch-style homes on isolated cul-de-sacs, the architects designed the site to look like old Louisville. They ensured that architectural styles, landscaping, streets, and sidewalks would be compatible with Louisville's rich vernacular of Victorian architecture and stately parks. For the first year, project backers projected 39 sales, a figure regarded as highly optimistic by the housing authority and local realtors given the development's high proportion of subsidized housing. Park DuValle reached this target within four months.

The City of Rochester, New York recently launched the \$4.5 million Rochester Community Development Collaborative which provides funding and guidelines to organizations that wish to create affordable housing, commercial development and other revitalization programs in inner city areas. The city has teamed up with the Enterprise Foundation, a national non-profit provider of affordable housing to convert 350 abandoned homes into new single-family homes. One-hundred and fifty houses will be sold at market rate and 200 will be set aside for purchase by low-income families.

Such programs are especially important to keep housing affordable, because national trends indicate that property values nationwide are rising faster than wages. In Denver, the housing crunch is especially bad. From 1992 to 1998, regional home prices rose 61 percent and rents increased by 50 percent. Meanwhile, incomes rose by a mere 28 percent during the same period. For families whose incomes have not risen, this has led to a housing crisis, as landlords convert affordable housing rental units to market-rate homes for sale. In fact, home prices in Denver's fifteen poorest neighborhoods increased by 153 percent during that six-year period.

#### IMPROVING TRANSPORTATION CHOICES

Many communities are beginning to recognize the value in providing residents with greater transportation choices. Efforts to make neighborhoods more walkable are especially popular. For example, this year California's Safe Routes to School law will provide \$20 million to communities to improve crosswalks, install stop signs, slow traffic and educate the public to enable children to walk to school.

The State of Maryland recently launched its Live Near Your Work Program, in which employers and state and local governments each provide \$1,000 to people who purchase homes near their workplace. After three years, 50 employers have signed up to participate in the program and over 300 workers have received their \$3,000 grants.

Similar programs are gaining favor in the private sector. A team of non-profit organizations recently teamed up with Fannie Mae to offer a new mortgage product called the Location-Efficient Mortgage™. Recognizing that people buying homes in convenient, transit-rich neighborhoods tend to own fewer automobiles and drive less, program sponsors estimate that prospective homebuyers can apply those savings to finance mortgages that are \$15,000 to \$50,000 larger than what they would normally qualify for, making homeownership possible for more poor families. Already, lenders in Seattle, Chicago and California are offering this program, and Fannie Mae has committed to purchasing \$100 million in such mortgages over the next few years.

Park DuValle  
Louisville, Kentucky



Many communities are also fighting sprawl by building trails and greenways to both enhance quality of life and improve accessibility for bicyclists and pedestrians. Many trail networks have been built along abandoned railroad corridors, reusing what have become eyesores in many communities. From meager beginnings (less than 1,000 miles of open rail-trails in 1985), there are now 11,000 miles of rail-trails in use throughout America, with another 19,000 miles of potential trails under active development. One of the most successful efforts is Detroit's Southeast Michigan Greenways Initiative which extends beyond the city's borders, covering seven counties.

#### RETROFITTING THE SUBURBS

In the suburbs, smart growth innovations are becoming more common. In California's Silicon Valley, the city of Mountain View recently faced the problem of what to do with a dead mall. Standard practice would have been to entice a new developer to come in and renovate the shopping complex. Instead, the city decided to raze the mall and replace it with a neighborhood called "The Crossings."

The developer and architect designed an aesthetically appealing community containing a mix of stores, homes, and parks. To make the compact layout more appealing, the architects designed the entire project to enhance privacy, natural light, and a feeling of spaciousness. One tool used was rigid steel framing to allow for the use of large window panels without sacrificing seismic performance. It was further enhanced by

a commuter rail station. Despite their inability to secure conventional financing from banks, the high-quality design helped developers sell out all the units at a blistering pace, more than two years ahead of schedule.

#### PROTECTING FARMLAND AND OPEN SPACE

In rural areas, planning for growth means not only ensuring sensible development, but also preserving valuable open space and scenic vistas. Some efforts have preserved agricultural lands either through direct acquisition or conservation easements. Easements are legal contracts that reward landowners for permanently waiving the right to develop their land. Farmers and other property owners are then free to continue working their lands, making agriculture more economically viable.

In New Jersey, Governor Christine Todd Whitman authorized the investment of \$14

Abandoned regional malls are ripe candidates for multi-use projects that integrate office, residential, recreational, and even educational functions.

— *Emerging Trends in Real Estate 2000*

The Crossings  
Mountain View, California



million for farmland preservation, part of her Administration's ultimate goal to preserve a million acres of open space. To date, these efforts have set aside more land in the past two years—81,000 acres—than have been preserved in the previous two decades. Maryland's preservation programs—Rural Legacy Program, Program Open Space, and Agricultural Preservation Program—have set aside nearly 200,000 acres of open space in the past three years. Over the past two years, Maryland conserved more open space than the amount of land converted to development—something that has never happened in the state's history.

#### REBUILDING INNER CITY SERVICES WITH COMMUNITY PARTNERS

In 1994, Anacostia Economic Development Corporation (EDC) in Washington, D.C. learned that the supermarket chain Safeway was planning to build a major shopping center on a vacant inner city site. Safeway, however, was not interested in long-term ownership. Working together with Safeway, the community secured an agreement that would allow the company to buy and develop the site and later sell it to EDC. They put together a financing package to purchase the development, including funds from the federal Department of Housing and Urban Development, the local Office of Community Services, Community Development Block Grant funds, and a loan from the Local Initiatives Support Corporation. The benefits of

this unique business/community partnership include new retail services, local jobs and a revitalized neighborhood. For EDC, the project has been an invaluable experience—one that has boosted their capacity to take advantage of future opportunities.

#### RECLAIMING OLD INDUSTRIAL SITES

Old industrial areas in cities and suburbs are often considered blight. But with modern clean up techniques, these eyesores start looking like opportunities. For example, 138 acres of central Atlanta once housed the Atlantic Steel works. Today, the site is destined to become a transit-oriented community with shops, homes and an array of services. It joins a long list of New Urbanist neighborhoods being built in the Southeast.

After conducting a state-of-the-art travel modeling study, analysts convinced the US Environmental Protection Agency (EPA) that the project would reduce annual automobile travel by 50 million miles because it would capture a significant amount of growth that would otherwise have gone to outlying suburbs. These environmental benefits were instrumental in winning EPA approval for local street improvements needed to make the project viable. Once the project is complete, Atlantans will be able to choose new homes in the heart of the city that are well-served by public transportation and stores.